

**TERRACE COMMUNITY  
MIDDLE SCHOOL**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
June 30, 2009**

**TERRACE COMMUNITY MIDDLE SCHOOL**  
**JUNE 30, 2009**

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# **TCMS Terrace Community Middle School**

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## **Back To Basics Charter School Foundation, Inc. Terrace Community Middle School Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2009**

Our analysis and discussion of the Back to Basics Charter School Foundation Inc.- Terrace Community Middle School (BTBCSF-TCMS) financial performance provides an overview of the school's financial activities for the fiscal year ended June 30, 2009.

### **Financial Highlights**

The BTBCSF-TCMS net assets totaled \$926,685 which represents 14.4% increase over prior fiscal year. The net assets balance consisted of net capital investments of \$ 818,013, Capital leases payable of 78,586 and unrestricted net assets of \$ 187,258. General revenues totaled \$ 3,116,655 and accounted for 80.7% of all revenues for the school.

The year end balances in our separate funds were: general fund reported a balance of \$187,258 while our debt service fund ended with a fund balance of \$ 858,519.

### **Using this Comprehensive Annual Financial Report**

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand BTBCSF-TCMS as a whole, and then proceed to a detailed look at specific financial activities.

### **Reporting BTBCSF-TCMS as a Whole**

*The statement of Net Assets and Statement of Activities*

One of the most important questions one can ask about the BTBCSF-TCMS financial activities is: Is BTBCSF-TCMS better off or worse as a result of this year's activities? The Statement of Net Assets and the Statement of Activities report information about BTBCSF-TCMS as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration when cash is received or paid.

These two statements report BTBCSF-TCMS net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the financial health of BTBCSF-TCMS is improving or deteriorating as a whole. The reader should consider other non- financial factors such as enrollment, state funding levels, and facility conditions in arriving at their conclusion of the overall health of BTBCSF-TCMS.

## **Reporting the Schools Most Significant Funds**

### **Fund Financial Statements**

Our analysis of the school’s major funds begins on page 3 of the Auditors report. The fund financial statements begin on page 21 of the Auditors report and provide detailed information about the most significant funds at BTBCSF-TCMS. These funds represent the funds required to be established by the State of Florida, HSB, and the “Red Book”. The form of accounting for these funds is described in the notes that accompany the financial statements.

### **Governmental Funds**

All non debt service funds that flow through the BTBCSF-TFMC activities are classified under Governmental Funds, which focus on how money flows into and out of the funds and the balances left at year-end available for spending in future periods. These funds are accounting for under a modified accrual accounting method, which measures cash and other financial assets that can readily be converted into cash. The government fund statements provide a detailed short-term view of the BTBCSF-TCMS general government operations and the basic services it provides. Government fund information helps you to determine whether there are more or less financial resources available to spend in the future to finance school activities. The relationship or differences between governmental activities as reported in the Statement of Net Assets and the Statement of Activities and governmental funds is reconciled in the basic financial statements.

### **Debt Service Funds**

All capital funds (SIT) flow through the Debt Service fund, and the balances left at year end available for spending in future periods. These funds are accounting for under a modified accrual accounting method, which measures cash and other financial assets that can readily be converted into cash. The Debt Service fund statements provide a detailed view of the debt service funds available for the retirement of the debt incurred on behalf of the construction of the physical plant of BTBCSF-TCMS.

## School-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. In the case of BTBCSF-TCMS assets exceeded liabilities by \$926,685 at the close of the past fiscal year. Approx. 88.3% of the BTBCSF-TCMS net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The BTBCSF-TCMS uses capital assets to provide education facilities and services, therefore these assets are not available for future spending. Although the BTBCSF-TCMS investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. It should be noted that BTBCSF-TCMS secured a mortgage for \$6.215MM via issuance of Series 2007 A & B Industrial Development Revenue Bonds for the retirement of various bridge mortgages used to acquire 3.39 acres MOL and construction of 33,000 sq. ft permanent facility

### BTBCSF-Terrace Community Middle School Management's Discussion and Analysis

A comparative Analysis of Fiscal year 2008 to 2009 follows:

Net Assets	Government Assets	
	2008	2009
Current Assets	1,085,482	1,257,535
Capital Assets	6,092,370	5,980,350
Total Assets	7,177,852	7,237,885
Current Liabilities	396,149	415,364
Long term liabilities	5,971,692	5,895,836
Total Liabilities	6,367,841	6,311,200
Net Assets		
Invested in Capital		
Assets net of debt	871,710	818,013
Capital leases	( 95,320)	( 78,586)
Unrestricted	33,621	187,258
Total Net assets	810,011	926,685

### Analysis of Net Assets Restrictions

Currently, no portion of net assets are restricted that are not part of invested Capital assets, these balances may be used to meet the schools on going activities. The BTBCSF-TCMS continues to report positive balances in all areas of net assets.

**BTBCSF-Terrace Community Middle School  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009**

**See appendix A**

**Changes in Net Assets**

As previously stated and further demonstrated in this analysis, BTBCSF-TCMS has experienced an increase in net assets of 14.4% during fiscal year 2009. This change is the end result of a decrease of .35% in revenues offset by a decrease in net capital assets of \$103k offset by a 3.17% increase in operational spending for the same period.

The revenue decreases resulted from decreases in State sources due to state budget cutbacks during the fiscal year and in unrestricted Grants and donations, the student population was stable year over year for TCMS. The spending increases were generally in personnel costs and increased operational expenses of the school. Capital asset acquisition was influenced totally by the final completion and close out of the prior year's land acquisition and building construction. The change in net assets was positive albeit near break-even as planned. The foundation and school administration continue to seek cost reductions and revenue improvements. The school administration and foundation had planned for the state cutbacks and were positioned to deal with them as the funds were reduced during the year.

This change in the fund balances indicates a slight growth for our fund balance as we move towards stable operation post construction of the new school facility. This is as planned and indicative efforts by the governing body of the school to improve the net assets of the operation. At this time there is no indication of any limitations to the viability of the school in the near future.

**BTBCSF-Terrace Community School  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009**

See appendix B

Variance Analysis to Budgets

To discuss the variances of the NON capital asset portion of these statements, the BTBCSF-TCS had an overall variance of revenues of (\$39,331) unfavorable to the plan for FY 2009, this is compared to a variance of (\$69,906) unfavorable for the FY 2008. Revenues for both years included:

<u>Revenue Source</u>	<u>Fav/(unfav) FY 2008 Var.</u>	<u>Fav/(unfav) FY 2009 Var.</u>
State FTE funds	\$ (89,961)	\$ 19,524
SIT Funds	(40,607)	(78,818)
Grant/Donations	23,587	(23,790)
Student/PRA	56,847	35,258

The major revenue variances for State SIT funds were the result of state level budgetary cuts and adjustments out of the control of the foundation. The decrease in grants and donations are due to the current depressed economic conditions.

Spending variances for the same periods included:

<u>Spending /Exp.</u>	<u>(Fav)/Unfav FY 2008 Var.</u>	<u>(Fav)/Unfav FY 2009 Var.</u>
Salaries/Fringe	\$ ( 9,973)	\$ (164,438)
Professional Svc	23,644	44,405
Instr. Material	18,408	25,405
Lease payments	64,000	0
Student Activities	(19,968)	( 8,026)

There was no change between the original budget and the final budget as presented in all examples above. The causes for these variances are wide and are primarily related to student needs however, they cover numerous issues, mostly the increased population of students over original plan. All issues were made aware to management and were dealt with accordingly. Every effort was made to ensure that there was ample funding to cover any program or initiative.

Management sees no significant impact on immediate operations of the school as a result of these variances.

**Significant Capital Assets**

As presented in Auditors NOTE 5 dealing with Capital Fixed assets, the net value of the capital Fixed assets at BTBCSF-TCMS decreased by (\$103,440) net of accumulated depreciation of \$ 132,776. These additions included (at Gross):

Building Improvements	15,000
Furniture & Fixtures	6,845
Computer, Visual & Audio	7,491

**Operating Leases & Lease purchase payable**

As described in the auditor's note # 3, the BTBCSF-TCMS has operating lease commitments as follows:

2010	300,000
2011	300,000
2012	300,000
2013	300,000
2014	300,000
Thereafter	600,000

These payments exclusive of any potential future FTE adjusts as provided by the MOSI-BTBCSF-TCMS lease agreement. The sub-lease to Hillsborough County School District eliminates these payments in favor of BTBCSF-TCMS for the duration of the sub lease. This sub lease runs for 5 years with a 5 year option to renewal commencing July 2007.

The management of the BTBCSF-TCMS is aware of the risk associated with the effects of the risk associated with the sub lease arrangement as it relates to the level of SIT funding that will be available for operations and occupancy expenses for the school. Management is continuing with efforts to secure additional funding in the form of operational grants and endowment seed funds to help offset this risk in the future. While these plans have been fully developed, success in the current economic climate has been difficult, however we will continue on our quest for these funds.

**Declaration of facts conditions since period end and audit report date:**

Management is unaware of any significant issue, fact, or circumstance that has arisen since the close of the fiscal year and the date of this report, except as noted below or disclosed herein, that it feels will have a significant effect on the financial position or results of the operations after the reporting date.

BTBCSF-Terrace Community School  
 Managements Discussion & Analysis  
 Fiscal Year Ended June 30, 2009  
 Appendix A

	<b>Total Governmental Activities</b>	
	2007-2008 <u>Actual</u>	2008-2009 <u>Actual</u>
<b>3001 · TOTAL REVENUE</b>		
<b>3100 · FOUNDATION INCOME</b>		
<b>3110 · GRANT-DONATION INCOME</b>		
3111 · CORPORATE GRANTS/DONATIONS	3,216	0
3112 · PRIVATE FOUNDATION GRANTS	250	1,450
3113 · GENERAL PUBLIC DONATIONS	30,691	7,014
3119 · GRANTS-GOVERNMENTAL	4,934	3,754
3110 · GRANT-DONATION INCOME - Other	0.00	0.00
<b>Total 3110 · GRANT-DONATION INCOME</b>	<u>39,091</u>	<u>12,218</u>
<b>3120 · INVESTMENT INCOME</b>	0	0.00
3121 · INTEREST INCOME	33,898	4,158
<b>Total 3120 · INVESTMENT INCOME</b>	<u>33,898</u>	<u>4,158</u>
<b>3130 · SCHOOL BOARD REVENUE=EFT</b>		
3131 · STATE FUNDS-EFT	2,995,842	3,043,248
3132 · SIT FUNDS..CAPITAL OUTLAY	311,843	249,430
3139 · OTHER INCOME-EFT	68,155	69,249
<b>Total 3130 · SCHOOL BOARD REVENUE=EFT</b>	<u>3,375,840</u>	<u>3,361,927</u>
<b>3140 · OTHER INCOME</b>		
3141 · SCHOOL LUNCH INCOME	84,148	91,175
3142 · TRANSPORTATION REVENUE	0	0.00
<b>3143 · STUDENT ACTIVITY/PROJECT INCOME</b>		
31431 · FIELD TRIP RECEIPTS	92,404	45,939
31433 · YEARBOOK RECEIPTS	16,928	15,079
31435 · OTHER	4,132	15,224
31437 · Student Gov. Receipts	11,535	5,981
31438 · Forensics	0.00	0.00
31439 · 8th GRADE GRADUATION	3,482	5,072
31450 · Book fees	28,709	37,013
31457 · After School Care Receipts	0.00	0.00
31459 · Other Fund raisin	12,658	37,426
<b>Total 3143 · STUDENT ACTIVITY/PROJECT INCOME</b>	<u>169,848</u>	<u>161,734</u>
<b>3144 · ATHLETIC DEPARTMENT</b>		
31441 · ADMISSION RECEIPTS	0.00	1,320
31442 · STUDENT PAYMENTS-FEES	2,033	1,535
31443 · FUND RAISING	3,970	689
31444 · OTHER-ATHLETIC	3,570	6,152
3144 · ATHLETIC DEPARTMENT - Other	0.00	0.00
<b>Total 3144 · ATHLETIC DEPARTMENT</b>	<u>9,573</u>	<u>9,696</u>
<b>3145 · P.R.A. ACTIVITIES</b>		
31451 · AUCTION RECEIPTS	52,104	73,706
31452 · TEAM TORNADO RECEIPTS	60,165	60,825
31453 · SCHOOL STORE	29,851	35,692
31454 · WED. PIZZA LUNCH RECEIPTS	0.00	0.00
31455 · PRA RECEIPTS OTHER	11,894	15,741

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31456 · PRA T SHIRT SALES	935	35,637
3145 · P.R.A. ACTIVITIES - Other	8,602	0
Total 3145 · P.R.A. ACTIVITIES	163,551	221,601
3149 · OTHER	0	0.00
3140 · OTHER INCOME - Other	0.00	0.00
Total 3140 · OTHER INCOME	427,122	484,206
Total 3100 · FOUNDATION INCOME	3,875,951	3,862,509
Total 3001 · TOTAL REVENUE	3,875,951	3,862,509
<b>4000 · TOTAL EXPENSES</b>		
<b>5100 · Basic instruction</b>		
<b>5100100 · Basic Instruction salaries</b>		
5100101 · CLASSROOM TEACHER P/R	1,519,843	1,693,011
Total 5100100 · Basic Instruction salaries	1,519,843	1,693,011
<b>5100200 · Basic Instruction Employee Ben.</b>		
5100203 · FICA-ER EXP.	143,681	128,754
5100204 · GROUP INS. EXP.	26,445	1,450
5100206 · FLA SUI EXP.	16,007	4,015
5100207 · OTHER P/R RELATED EXP	130,944	228,665
Total 5100200 · Basic Instruction Employee Ben.	317,077	362,884
<b>5100500 · Basic Instr-material &amp; suppl</b>		
5100510 · MATERIALS & SUPPLIES	1,153	784
5100520 · SUPPLIES-INSTRUCTIONAL	18,634	16,016
5100540 · TEXT BOOKS	32,454	14,008
5100550 · Instructional equipment	27,607	40,969
5100580 · STUDENT ACTIVITIES-PROGRAMS	12,997	4,005
5100581 · FIELD TRIP EXP.	102,426	63,726
5100582 · BANQUET EXPENSES	0.00	0.00
5100583 · YEARBOOK EXPENSES	11,203	10,283
5100585 · OTHER	1,746	0
5100586 · SGA EXPENSES	7,806	4,808
5100587 · Other clubs expense	3,385	2,333
5100588 · 8 <sup>th</sup> Grade Graduation	1,180	7,139
Total 5100500 · Basic Instr-material & suppl	220,592	164,071
Total 5100 · Basic Instruction	2,057,513	2,219,966
<b>5500 · Other Instructional</b>		
<b>5600100 · Other Instr-salaries</b>		
5600101 · SUBSTITUTE TEACHER P/R	78,466	84,919
5600102 · AIDE P/R	0.00	0.00
5600103 · Stipends	81,848	73,960
Total 5600100 · Other Instr-salaries	160,313	158,879
<b>5600200 · Other instr-employee ben</b>		
5600203 · OI FICA ER	6,020	11,857
5600206 · OI Fla SUI	567	370
5600207 · OI other PR related	2,982	13,448
Total 5600200 · Other Instr-employee ben	9,569	25,675
Total 5600 · Other Instructional	169,883	184,554
<b>6200 · Instructional Media Services</b>		

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<b>6200500 · Instr. media Svc-materials</b>		
6200530 · PERIODICALS	0.00	0.00
6200590 · OTHER MATERIAL & SUPPLIES	0.00	0.00
<b>Total 6200500 · Instr. media Svc-materials</b>	<b>0.00</b>	<b>0.00</b>
<b>Total 6200 · Instructional Media Services</b>	<b>0.00</b>	<b>0.00</b>
<b>7200 · General Administration</b>		
<b>7200300 · Gen Admin purchases svc</b>		
7200310 · PROFESSIONAL & TECH. SERVICES	123,644	55,591
7200320 · GENERAL & PROPERTY INSURANCE EX	24,522	22,239
7200330 · TRAVEL EXP.	-44	1,082
7200335 · ENTERTAINMENT EXP.	507	0
7200363 · EQUIPMENT-OFFICE RENTALS	19,351	8,459
7200371 · TELEPHONE EXPENSES	6,259	11,552
7200372 · INTERNET EXPENSES	809	0
7200360 · Advertiing exp	500	0
7200390 · OFFICE EXPENSES	35,417	13,290
7200395 · CITY UTILITIES	14,087	14,180
<b>Total 7200300 · Gen Admin purchases svc</b>	<b>225,052</b>	<b>126,393</b>
<b>7200400 · Gen Admin Energy svc</b>		
7200430 · ELECTRICITY EXP.	33,659	43,582
7200431 · Gas bill	0.00	0.00
<b>Total 7200400 · Gen Admin Energy svc</b>	<b>33,659</b>	<b>43,582</b>
<b>7200700 · Gen Admin other exp</b>		
7200701 · OTHER EXPENSES	0	0.00
7200703 · INTEREST EXP.	338,458	325,680
7200704 · FUND RAISING EXP	0.00	0.00
7200705 · Challenge Fund Spending	0.00	0.00
7200751 · P.R.A. SPENDING	331	24,825
7200752 · PRA AUCTION EXPENSES	24,670	9,992
7200753 · PRA TEAM TORNADO EXPENSES	1,616	2,263
7200754 · PRA SCHOOL STORE EXPENSES	0	0.00
7200755 · PRA PIZZA LUNCH EXP	0.00	0.00
7200756 · PRA OTHER EXPENSES	6,394	13,085
7200760 · BOARD EXPENSES	4,895	2,716
7200780 · ATHLETIC DEPT. SPENDING	960	2,787
7200781 · ATHLETIC FACILITY RENTALS	0.00	0.00
7200782 · REFEREE FEES	1,320	1,799
7200783 · ATHLETIC UNIFORM EXPENSES	6,545	4,222
7200784 · ATHLETIC EQUIPMENT-SUPPLIES	139	592
7200785 · ATHLETIC REGISTRATION FEES	0.00	0.00
7200786 · ATHLETIC EXPENSES-OTHER	1,630	327
7200790 · MISC. OTHER EXP.	18,467	8,862
7277702 · MOSI MOVING EXPENSES	0	0.00
<b>Total 7200700 · Gen Admin other exp</b>	<b>405,426</b>	<b>397,150</b>
<b>Total 7200 · General Administration</b>	<b>664,138</b>	<b>567,125</b>
<b>7300 · School Admin</b>		
<b>7300100 · School Admin Salaries</b>		
7300101 · ADMINISTRATION P/R	370,689	388,628
7300102 · CLERICAL P/R	0.00	1,673

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7300103 · OVERTIME-NON EXEMPT	3,327	
<b>Total 7300100 · School Admin Salaries</b>	<b>374,016</b>	<b>390,301</b>
7300200 · School Admin Empl Benefits		
7300203 · School Admin FICA ER	12,773	26,795
7300206 · School Admin Fla Sui	567	835
7300207 · School Admin other PR related	9,301	24,429
<b>Total 7300200 · School Admin Empl Benefits</b>	<b>22,641</b>	<b>52,059</b>
<b>Total 7300 · School Admin</b>	<b>396,657</b>	<b>442,360</b>
7600 – Food Service		
7600500 · Food svc Material supplies		
7600570 · FOOD-LUNCH PROGRAMS	90,576	104,638
<b>Total 7600500 · Food svc Material supplies</b>	<b>90,576</b>	<b>104,638</b>
<b>Total 7600 · Food Service</b>	<b>90,576</b>	<b>104,638</b>
7800 · Student Transportation		
7800500 · Student transp. materials/supp		
7800502 · TRANSPORTATION EXP	0.00	1,367
7800595 · Bus related exp.	45	0
<b>Total 7800500 · Student transp. materials/supp</b>	<b>45</b>	<b>1,367</b>
<b>Total 7800 · Student Transportation</b>	<b>45</b>	<b>1,367</b>
7900 · Plant ops		
7900300 · Plant ops purchased svc		
7900355 · SUPPLIES-CUSTODIAL, OTHER	19,410	16,187
7900360 · RENTALS-LEASES	3,552	5,584
7900361 · BUILDING	25,000	740
<b>Total 7900300 · Plant ops purchased svc</b>	<b>47,963</b>	<b>22,511</b>
<b>Total 7900 · Plant ops</b>	<b>47,963</b>	<b>22,511</b>
8100 · Maintenance of Plant		
8100300 · Maintenance of Plant Services		
8100340 · REPAIRS MAINT. OFFICE	5,891	0
8100350 · REPAIRS & MAINTENANCE-FACILITY	57,333	54,911
<b>Total 8100300 · Maintenance of Plant Services</b>	<b>63,224</b>	<b>54,911</b>
<b>Total 8100 · Maintenance of Plant</b>	<b>63,224</b>	<b>54,911</b>
9100 · Community Svc		
9100100 · Community Svc salaries		
9100101 · SUMMER/AFTER SCHOOL PROGRAM	0.00	0.00
<b>Total 9100100 · Community Svc salaries</b>	<b>0.00</b>	<b>0.00</b>
<b>Total 9100 · Community Svc</b>	<b>0.00</b>	<b>0.00</b>
7400 Purchase of land	0.00	0.00
7400663 Building & Fixed Asset Const	1,385	46,569
	0.00	0.00
<b>Total 7400000 ·</b>	<b>1,385</b>	<b>46,569</b>
<b>Total Governmental Activities/Expenditures</b>	<b>3,491,384</b>	<b>3,644,001</b>
Depreciation	131,727	132,776
<b>Total Expenditures</b>	<b>3,623,111</b>	<b>3,776,777</b>
<b>Excess Revenues over Expenditures</b>	<b>252,840</b>	<b>85,732</b>

BTBCSF-Terrace Community Middle School  
Managements Discussion Analysis  
Fiscal Year Ended June 30,2009  
Appendix B

3001 - TOTAL REVENUE	2008 Governmental Activities			2009 Governmental Activities		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>3100 - FOUNDATION INCOME</b>						
<b>3110 - GRANT-DONATION INCOME</b>						
3111 - CORPORATE GRANTS/DONATIONS	3,216.50	504	2,713	0.00	504	(504)
3112 - PRIVATE FOUNDATION GRANTS	250.00	10,000	(9,750)	1,450.00	504	946
3113 - GENERAL PUBLIC DONATIONS	30,690.66		30,691	7,014.00	30,000	(22,986)
3119 - GRANTS-GOVERNMENTAL	4,934	5,000	(66)	3,754	5,000	(1,246)
3110 - GRANT-DONATION INCOME - Other		-	-		-	-
<b>Total 3110 - GRANT-DONATION INCOME</b>	<b>39,091</b>	<b>15,504</b>	<b>23,587</b>	<b>12,218</b>	<b>36,008</b>	<b>(23,790)</b>
<b>3120 - INVESTMENT INCOME</b>						
3121 - INTEREST INCOME	33,898	5,000	28,898	4,158	24,000	(19,842)
<b>Total 3120 - INVESTMENT INCOME</b>	<b>33,898</b>	<b>5,000</b>	<b>28,898</b>	<b>4,158</b>	<b>24,000</b>	<b>(19,842)</b>
<b>3130 - SCHOOL BOARD REVENUE=EFT</b>						
3131 - STATE FUNDS-EFT	2,995,842.00	3,085,803	(89,961)	3,043,248.00	3,023,724	19,524
3132 - SIT FUNDS..CAPITAL OUTLAY	311,842.81	352,450	(40,607)	249,430.00	328,248	(78,818)
3139 - OTHER INCOME-EFT	68,154.82	42,100	26,055	69,249.00	50,400	18,849
<b>Total 3130 - SCHOOL BOARD REVENUE=EFT</b>	<b>3,375,840</b>	<b>3,480,353</b>	<b>(104,513)</b>	<b>3,361,927</b>	<b>3,402,372</b>	<b>(40,445)</b>
<b>3140 - OTHER INCOME</b>						
3141 - SCHOOL LUNCH INCOME	84,152.04	90,000	(5,848)	91,175.00	99,996	(8,821)
3142 - TRANSPORTATION REVENUE		12,000	(12,000)		-	-
<b>3143 - STUDENT ACTIVITY/PROJECT INCOME</b>						
31431 - FIELD TRIP RECEIPTS	92,404.40	75,000	17,404	45,939.00	54,996	(9,057)
31433 - YEARBOOK RECEIPTS	16,927.81	11,000	5,928	15,079.00	15,000	79
31435 - OTHER	5,940.00	5,500	440	15,224.00	11,492	3,732
31437 - Student Gov. Receipts	11,534.49	5,000	6,534	5,981.00	7,500	(1,519)
31438 - Forensics		1,000	(1,000)	0.00	-	-
31439 - 8th GRADE GRADUATION	3,482.00		3,482	5,072.00		5,072
31450 - Book fees	35,962.56	7,500	28,463	37,013.00	32,496	4,517
31460 - Drama Receipts	3,596	8,000	(4,404)	-	4,992	(4,992)
After School / Slam / FAFO			-	37,426		37,426
<b>Total 3143 - STUDENT ACTIVITY/PROJECT INCOME</b>	<b>169,847</b>	<b>113,000</b>	<b>56,847</b>	<b>161,734</b>	<b>126,476</b>	<b>35,258</b>
<b>3144 - ATHLETIC DEPARTMENT</b>						
31441 - ADMISSION RECEIPTS		2,000	(2,000)	1,320	2,000	(680)
31442 - STUDENT PAYMENTS-FEE	2,033	5,000	(2,967)	1,535	5,000	(3,465)
31443 - FUND RAISING	3,970	17,000	(13,030)	689	4,992	(4,303)
31444 - OTHER-ATHLETIC	3,570	6,000	(2,430)	6,152	4,992	1,160
3144 - ATHLETIC DEPARTMENT -	-	-	-	-	-	-
<b>Total 3144 - ATHLETIC DEPARTMENT</b>	<b>9,573</b>	<b>30,000</b>	<b>(20,427)</b>	<b>9,696</b>	<b>16,984</b>	<b>(7,288)</b>
<b>3145 - P.R.A. ACTIVITIES</b>						
31451 - AUCTION RECEIPTS	52,104.00	100,000	(47,896)	73,706.00	100,000	(26,294)
31452 - TEAM TORNADO RECEIPT	60,165.00	75,000	(14,835)	60,825.00	65,004	(4,179)
31453 - SCHOOL STORE	29,851.00	18,000	11,851	35,692.00	20,004	15,688
31454 - WED. PIZZA LUNCH RECEIPTS			-			-
31455 - PRA RECEIPTS OTHER	11,173.50	5,000	6,174	15,741.00	9,996	5,745
31458 - PRA T SHIRT SALES	935.00	1,000	(65)	35,637.00	1,000	34,637
3145 - P.R.A. ACTIVITIES - Other	719.60		720	0.00		-
<b>Total 3145 - P.R.A. ACTIVITIES</b>	<b>154,948</b>	<b>199,000</b>	<b>(44,052)</b>	<b>221,601</b>	<b>196,004</b>	<b>25,597</b>
<b>3149 - OTHER</b>	<b>8,602</b>		<b>8,602</b>	<b>-</b>		<b>-</b>
<b>3140 - OTHER INCOME - Other</b>						
<b>Total 3140 - OTHER INCOME</b>	<b>427,123</b>	<b>444,000</b>	<b>(16,878)</b>	<b>484,206</b>	<b>439,460</b>	<b>44,746</b>
<b>Total 3100 - FOUNDATION INCOME</b>	<b>3,875,951</b>	<b>3,944,857</b>	<b>(68,906)</b>	<b>3,862,509</b>	<b>3,901,840</b>	<b>(39,331)</b>
<b>Total 3001 - TOTAL REVENUE</b>	<b>3,875,951</b>	<b>3,944,857</b>	<b>(68,906)</b>	<b>3,862,509</b>	<b>3,901,840</b>	<b>(39,331)</b>

BTBCSF-Terrace Community Middle School  
Managements Discussion Analysis  
Fiscal Year Ended June 30,2009  
Appendix B

4000 · TOTAL EXPENSES

5100 · Basic Instruction

5100100 · Basic Instruction salaries

5100101 · CLASSROOM TEACHER P/R	1,519,843.11	1,524,995	5,152	1,693,011.00	1,615,332	(77,679)
<b>Total 5100100 · Basic Instruction salaries</b>	<b>1,519,843</b>	<b>1,524,995</b>	<b>5,152</b>	<b>1,693,011</b>	<b>1,615,332</b>	<b>(77,679)</b>

5100200 · Basic Instruction Employee Ben.

5100203 · FICA-ER EXP.	143,681.40	11,662	(132,019)	128,754.00	123,576	(5,178)
5100204 · Group Inc exp.	26,445		(26,445)	1,450	50,004	48,554
5100208 · FLA SUI EXP.	16,007.25	5,481	(10,526)	4,015.00	18,000	13,985
5100207 · OTHER P/R RELATED EXP	130,943.59	250,000	119,056	228,665.00	125,004	(103,661)
<b>Total 5100200 · Basic Instruction Employee Ben.</b>	<b>317,077</b>	<b>267,143</b>	<b>(49,934)</b>	<b>362,884</b>	<b>316,584</b>	<b>(46,300)</b>

5100500 · Basic Instr-material & suppl

5100510 · MATERIALS & SUPPLIES	1,152.64	30,000	28,847	784.00	4,992	4,208
5100520 · SUPPLIES-INSTRUCTIONAL	18,634.39	30,000	11,366	16,016.00	3,000	(13,016)
5100540 · TEXT BOOKS	32,454.11	40,000	7,546	14,008.00	35,000	20,992
5100550 · Instructional equipment	27,607.18	20,000	(7,607)	40,969.00	49,992	9,023
5100580 · STUDENT ACTIVITIES-PROGRAMS	12,997.35	15,000	2,003	4,005.00	9,996	5,991
5100581 · FIELD TRIP EXP.	102,426.31	75,000	(27,426)	63,726.00	54,996	(8,730)
5100582 · BANQUET EXPENSES		11,000	11,000		11,000	11,000
5100583 · YEARBOOK EXPENSES	11,203.28		(11,203)	10,283.00	9,000	(1,283)
5100585 · OTHER	5,131	14,000	8,869	2,333	4,500	2,167
5100588 · SGA EXPENSES	7,806.37	4,000	(3,806)	4,808.00	4,000	(808)
5100587 · Forensics expense			-			-
5100588 · 8th Grade Graduation	1,179.65		(1,180)	7,139.00	3,000	(4,139)
<b>Total 5100500 · Basic Instr-material &amp; suppl</b>	<b>220,592</b>	<b>239,000</b>	<b>18,408</b>	<b>164,071</b>	<b>189,476</b>	<b>25,405</b>

Total 5100 · Basic Instruction

	<b>2,057,513</b>	<b>2,031,138</b>	<b>(26,375)</b>	<b>2,219,966</b>	<b>2,121,392</b>	<b>(98,574)</b>
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5600 · Other Instructional

5600100 · Other Instr-salaries

5600101 · SUBSTITUTE TEACHER P/R	78,465.71	35,000	(43,466)	84,919.00	24,996	(59,923)
5600102 · AIDE P/R			-			-
5600103 · Stipenda	81,848.20	42,100	(39,748)	73,960.00	50,400	(23,560)
<b>Total 5600100 · Other Instr-salaries</b>	<b>160,314</b>	<b>77,100</b>	<b>(83,214)</b>	<b>158,879</b>	<b>75,396</b>	<b>(83,483)</b>

5600200 · Other instr-employee ben

5600203 · OI FICA ER	6,020.33	2,678	(3,342)	11,857.00	5,760	(6,097)
5600206 · OI Fis SUI	566.79	300	(267)	370.00	600	230
5600207 · OI other PR related	2,982.13	3,000	18	13,448.00	3,000	(10,448)
<b>Total 5600200 · Other instr-employee ben</b>	<b>9,569</b>	<b>5,978</b>	<b>(3,591)</b>	<b>25,675</b>	<b>9,360</b>	<b>(16,315)</b>

Total 5600 · Other Instructional

	<b>169,883</b>	<b>83,078</b>	<b>(86,805)</b>	<b>184,554</b>	<b>84,756</b>	<b>(99,798)</b>
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8200 · Instructional Media Services

8200500 · Instr. media Svc-materials

8200530 · PERIODICALS			-			-
8200590 · OTHER MATERIAL & SUPPLIES			-			-
<b>Total 8200500 · Instr. media Svc-materials</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Total 8200 · Instructional Media Services

	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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7200 · General Administration

7200300 · Gen Admin purchases svc

7200310 · PROFESSIONAL & TECH. SERVICES	123,643.93	100,000	(23,644)	55,591.00	99,996	44,405
7200320 · GENERAL & PROPERTY INSURANCE EX	24,522.13	75,000	50,478	22,239.00	24,996	2,757
7200330 · TRAVEL EXP.	-44.27	1,000	1,044	1,082.00	1,500	418
7200335 · ENTERTAINMENT EXP.	506.89	5,000	4,493	0.00	1,000	1,000
7200363 · EQUIPMENT-OFFICE RENTALS	19,351.19	25,000	5,649	8,459.00	15,000	6,541
7200371 · TELEPHONE EXPENSES	6,258.57	5,000	(1,259)	11,552.00	8,748	(2,804)
7200372 · INTERNET EXPENSES	809.20	1,000	191	0.00	-	-
7200380 · Advertising exp	499.95	1,000	500	0.00	1,000	1,000

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7200390 · OFFICE EXPENSES	35,417.08	40,000	4,583	13,290.00	24,996	11,706
7200395 · CITY UTILITIES	14,087	10,000	(4,087)	14,180	12,300	(1,880)
<b>Total 7200300 · Gen Admin purchases svc</b>	<b>225,052</b>	<b>263,000</b>	<b>37,948</b>	<b>126,393</b>	<b>189,536</b>	<b>63,143</b>
<b>7200400 · Gen Admin Energy svc</b>						
7200430 · ELECTRICITY EXP.	33,659	85,000	51,341	43,582	44,004	422
7200431 · Gas bill	-	-	-	-	-	-
<b>Total 7200400 · Gen Admin Energy svc</b>	<b>33,659</b>	<b>85,000</b>	<b>51,341</b>	<b>43,582</b>	<b>44,004</b>	<b>422</b>
<b>7200700 · Gen Admin other exp</b>						
7200701 · OTHER EXPENSES		1,000	1,000		-	-
7200703 · INTEREST EXP.	338,458.28	3,500	(334,958)	325,680.00	325,224	(456)
7200704 · FUND RAISING EXP		2,000	2,000		-	-
7200705 · Challenge Fund Spending			-			-
7200751 · P.R.A. SPENDING	331	9,000	8,669	24,825	996	(23,829)
7200752 · PRA AUCTION EXPENSES	24,670	8,000	(16,670)	9,992	30,000	20,008
7200753 · PRA TEAM TORNADO EXPENSES	1,616	1,000	(616)	2,263	2,004	(259)
7200754 · PRA SCHOOL STORE EXPENSES		5,000	5,000		-	-
7200755 · PRA PIZZA LUNCH EXP			-			-
7200756 · PRA OTHER EXPENSES	6,394		(6,394)	13,085	7,500	(5,585)
7200760 · BOARD EXPENSES	4,895	1,500	(3,395)	2,716	4,500	1,784
7200780 · ATHLETIC DEPT. SPENDING	960	5,000	4,040	2,787	996	(1,791)
7200781 · ATHLETIC FACILITY RENTALS			-			-
7200752 · REFEREE FEES	1,320	1,500	180	1,799	1,500	(299)
7200783 · ATHLETIC UNIFORM EXPENSES	6,545		(6,545)	4,222	6,996	2,774
7200784 · ATHLETIC EQUIPMENT-SUPPLIES	139	5,000	4,861	592	504	(88)
7200785 · ATHLETIC REGISTRATION FEES			-			-
7200756 · ATHLETIC EXPENSES-OTHER	1,630	2,000	370	327	2,000	1,673
7200790 · MISC. OTHER EXP.	18,468	6,000	(12,468)	8,862	5,992	(2,870)
7277702 · MOSI MOVING EXPENSES		5,000	5,000			-
<b>Total 7200700 · Gen Admin other exp</b>	<b>405,426</b>	<b>55,500</b>	<b>(349,926)</b>	<b>397,150</b>	<b>388,212</b>	<b>(8,938)</b>
<b>Total 7200 · General Administration</b>	<b>664,138</b>	<b>403,500</b>	<b>(260,638)</b>	<b>567,125</b>	<b>621,752</b>	<b>54,627</b>
<b>7300 · School Admin</b>						
<b>7300100 · School Admin Salaries</b>						
7300101 · ADMINISTRATION P/R	370,689	452,471	81,782	388,628	449,640	61,012
7300102 · CLERICAL P/R			-	1,673		(1,673)
7300103 · OVERTIME-NON EXEMPT	3,327		(3,327)			-
<b>Total 7300100 · School Admin Salaries</b>	<b>374,016</b>	<b>452,471</b>	<b>78,455</b>	<b>390,301</b>	<b>449,640</b>	<b>59,339</b>
<b>7300200 · School Admin Empl Benefits</b>						
7300203 · School Admin FICA ER	12,773	34,614	21,841	26,795	34,392	7,597
7300206 · School Admin Fla Sul	567	2,000	1,433	835	1,500	665
7300207 · School Admin other PR related	9,301	40,000	30,699	24,429	35,004	10,575
<b>Total 7300200 · School Admin Empl Benefits</b>	<b>22,641</b>	<b>76,614</b>	<b>53,973</b>	<b>52,059</b>	<b>70,896</b>	<b>18,837</b>
<b>Total 7300 · School Admin</b>	<b>396,657</b>	<b>529,085</b>	<b>132,428</b>	<b>442,360</b>	<b>520,536</b>	<b>78,176</b>
<b>7600 · Food Service</b>						
<b>7600500 · Food svc Material supplies</b>						
7600570 · FOOD-LUNCH PROGRAMS	90,576	70,000	(20,576)	104,638	99,996	(4,642)
<b>Total 7600500 · Food svc Material supplies</b>	<b>90,576</b>	<b>70,000</b>	<b>(20,576)</b>	<b>104,638</b>	<b>99,996</b>	<b>(4,642)</b>
<b>Total 7600 · Food Service</b>	<b>90,576</b>	<b>70,000</b>	<b>(20,576)</b>	<b>104,638</b>	<b>99,996</b>	<b>(4,642)</b>
<b>7600 · Student Transportation</b>						
<b>7600500 · Student transp. materials/supp</b>						
7600502 · TRANSPORTATION EXP	-	10,000	10,000	1,367	9,996	8,629
7600595 · Bus related exp.	45	2,000	1,955			-
<b>Total 7600500 · Student transp. materiele/supp</b>	<b>45</b>	<b>12,000</b>	<b>11,955</b>	<b>1,367</b>	<b>9,996</b>	<b>8,629</b>
<b>Total 7600 · Student Transportation</b>	<b>45</b>	<b>12,000</b>	<b>11,955</b>	<b>1,367</b>	<b>9,996</b>	<b>8,629</b>
<b>7900 · Plant ops</b>						
<b>7900300 · Plant ops purchased svc</b>						

BTBCSF-Terrace Community Middle School  
Managements Discussion Analysis  
Fiscal Year Ended June 30,2009

Appendix B

7900355 · SUPPLIES-CUSTODIAL, OTHER	19,410	15,000	(4,410)	16,187	24,996	8,809
7900360 · RENTALS-LEASES	3,552		(3,552)	5,564	4,992	(592)
7900381 · BUILDING	25,000	89,000	64,000	740	26,496	25,756
<b>Total 7900300 · Plant ops purchased svc</b>	<b>47,963</b>	<b>104,000</b>	<b>56,037</b>	<b>22,511</b>	<b>56,484</b>	<b>33,973</b>
<b>Total 7900 · Plant ops</b>	<b>47,963</b>	<b>104,000</b>	<b>56,037</b>	<b>22,511</b>	<b>56,484</b>	<b>33,973</b>
<b>8100 · Maintenance of Plant</b>						
<b>8100300 · Maintenance of Plant Services</b>						
8100340 · REPAIRS MAINT. OFFICE	5,891	2,000	(3,891)		9,996	9,996
8100350 · REPAIRS & MAINTENANCE-FACILITY	57,333	10,000	(47,333)	54,911	30,000	(24,911)
<b>Total 8100300 · Maintenance of Plant Services</b>	<b>63,224</b>	<b>12,000</b>	<b>(51,224)</b>	<b>54,911</b>	<b>39,996</b>	<b>(14,915)</b>
<b>Total 8100 · Maintenance of Plant</b>	<b>63,224</b>	<b>12,000</b>	<b>(51,224)</b>	<b>54,911</b>	<b>39,996</b>	<b>(14,915)</b>
<b>9100 · Community Svc</b>						
<b>9100100 · Community Svc salaries</b>						
9100101 · SUMMER/AFTER SCHOOL PROGRAM	-	-	-	-	-	-
<b>Total 9100100 · Community Svc salaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7400-Facility Acquisition</b>						
7400883 Building & FA constr	1,385		(1,385)	46,569	-	(46,569)
<b>Total 7400</b>	<b>1,385</b>	<b>-</b>	<b>(1,385)</b>	<b>46,569</b>	<b>-</b>	<b>(46,569)</b>
<b>Total 7400</b>	<b>1,385</b>	<b>-</b>	<b>(1,385)</b>	<b>46,569</b>	<b>-</b>	<b>(46,569)</b>
<b>Total Governmental Activities</b>	<b>3,491,384</b>	<b>3,244,801</b>	<b>(246,583)</b>	<b>3,644,001</b>	<b>3,554,908</b>	<b>(89,093)</b>
Depn Exp.	131,727	59,000	(72,727)	132,776	150,000	17,224
<b>CAPITAL SPENDING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NOTE PAYABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>3,623,111</b>	<b>3,303,801</b>	<b>(319,310)</b>	<b>3,778,777</b>	<b>3,704,908</b>	<b>(71,869)</b>
<b>Excess Revenues over Expenditures</b>	<b>252,840</b>	<b>641,056</b>	<b>(388,216)</b>	<b>85,732</b>	<b>196,932</b>	<b>(111,200)</b>

# **R**owlson & Company, P.A.

*Certified Public Accountants*

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Back to Basics Charter School Foundation, Inc.  
D/B/A Terrace Community Middle School  
Temple Terrace, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School, a component unit of the Hillsborough County District School Board as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles accepted in the United States of America.

The management discussion & analysis and budgeting comparison information on pages 1 through 14 and pages 34 - 37 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued a report, dated September 1, 2009, on our consideration of the Terrace Community Middle School internal control and our tests of its compliance with laws, administrative rules, regulations, contracts and grants, and other guidelines included under the heading *Independent Auditor's Report on Compliance and Internal Control Based on An Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards*.

In accordance with Section 11.45(3)(a)2, Florida Statutes, and Section 10.856(2), Rules of the Auditor General, we have also issued a statement of the auditor's comments and recommendations addressed to Terrace Community Middle School's Board of Directors, dated September 1, 2009, under the heading *Independent Auditor's Management Letter*.

Respectfully submitted,

*Roulson & Company, PA*

Certified Public Accountants  
September 1, 2009

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$1,257,535
Capital Assets:	
Land	2,525,138
Buildings & improvements	3,150,280
Furnitures & fixtures	136,627
Computer, visual and audio equipment	632,810
Accumulated depreciation	(704,747)
Bond issuance costs, net	240,242
<b>TOTAL ASSETS</b>	<b>7,237,885</b>
 <b>LIABILITIES</b>	
Payroll taxes & benefits payable	211,758
Interest payable	40,020
Lease payable	78,586
Bonds payable:	
Current portion of bonds payable	85,000
Long-term portion of bonds payable	5,895,836
<b>TOTAL LIABILITIES</b>	<b>6,311,200</b>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	818,013
Capital lease payable	(78,586)
Unrestricted	187,258
<b>TOTAL NET ASSETS</b>	<b>\$926,685</b>

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
				TOTAL GOVERNMENTAL ACTIVITIES
<b>GOVERNMENTAL ACTIVITIES</b>				
Instructional & administrative activities:				
Salaries	\$2,242,192	\$60,825	\$92,379	(\$2,088,988)
Repairs & maintenance	77,922		249,430	171,508
Employee benefits	440,618			(440,618)
Student activities programs	193,096	188,940		(4,156)
Depreciation unallocated	132,776			(132,776)
Transportation	65,092	45,939		(19,153)
Textbooks & supplies	71,778	108,341		36,563
Professional & technical services	55,566			(55,566)
Insurance	22,239			(22,239)
Office expense	13,290			(13,290)
Interest on long-term debt	340,808			(340,808)
Other	11,603			(11,603)
Lease payments	8,459			(8,459)
Communications & utilities	69,314			(69,314)
Travel	1,082			(1,082)
<b>TOTALS</b>	<b>\$3,745,835</b>	<b>\$404,045</b>	<b>\$341,809</b>	<b>(\$2,999,981)</b>
<b>GENERAL REVENUES:</b>				
State funds-FTE				\$3,112,497
Other income				4,158
Total General Revenues				3,116,655
Change in Net Assets				116,674
<b>NET ASSETS-BEGINNING</b>				810,011
<b>NET ASSETS-ENDING</b>				<b>\$926,685</b>

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$399,016	\$858,519	\$1,257,535
<b>TOTAL ASSETS</b>	<b><u>399,016</u></b>	<b><u>858,519</u></b>	<b><u>1,257,535</u></b>
<b><u>LIABILITIES &amp; FUND BALANCES</u></b>			
<b>LIABILITIES</b>			
Payroll taxes & benefits payable	211,758		211,758
<b>TOTAL LIABILITIES</b>	<b><u>211,758</u></b>	<b><u>0</u></b>	<b><u>211,758</u></b>
<b>FUND BALANCES</b>			
Unreserved	187,258		187,258
Reserved for retirement of long-term debt		858,519	858,519
<b>TOTAL FUND BALANCES</b>	<b><u>187,258</u></b>	<b><u>858,519</u></b>	<b><u>1,045,777</u></b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$399,016</u></b>	<b><u>\$858,519</u></b>	<b><u>\$1,257,535</u></b>

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

Amounts reported for governmental activities in the statement of net assets are different because:

<b>TOTAL FUND BALANCES-GOVERNMENTAL FUNDS</b>	<b>\$1,045,777</b>
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Bond issuance costs, net	240,242
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

The costs of the assets are \$6,444,855 and the accumulated depreciation is \$704,747.	5,740,108
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Long-term liabilities, including bonds payable, are not due and payable in current period and therefore not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

Bonds payable	\$5,980,836	
Accrued interest on bonds	40,020	
Capital lease payable	78,586	
		(6,099,442)

<b>TOTAL NET ASSETS-GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$926,685</u></u></b>
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See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
<b>Other financing sources</b>			
Bond proceeds			
Mortgage proceeds			
<b>Total other financing sources</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Grants &amp; donations</b>			
Corporate grants & donations			
Private foundation grants	1,450		1,450
General public donations	7,014		7,014
Grants - governmental	3,754		3,754
<b>Total grants &amp; donations</b>	<u>12,218</u>		<u>12,218</u>
<b>Investment income</b>			
Interest income		7,692	7,692
Other investment income		(3,534)	(3,534)
<b>Total Investment income</b>	<u>0</u>	<u>4,158</u>	<u>4,158</u>
<b>School board - FTE</b>			
State funds - FTE	3,043,248		3,043,248
SIT funds - capital outlay	249,430		249,430
Other income - FTE	69,249		69,249
<b>Total school board - FTE</b>	<u>3,361,927</u>		<u>3,361,927</u>
<b>Other income</b>			
School lunch income	91,175		91,175
Transportation revenue			
Student activity & project income:			
Field trip receipts	45,939		45,939
Yearbook receipts	15,079		15,079
Other	15,224		15,224
Student government receipts	5,981		5,981
8th grade graduation	5,072		5,072
Book fees	28,755		28,755
Lab fees	8,258		8,258
Drama receipts			
After school care receipts	21,140		21,140
SLAM income	10,521		10,521
FAFO income	5,765		5,765
Athletic department:			
Admission receipts	1,320		1,320
Student payment fees	1,535		1,535
Fundraising	689		689
Other-athletic	6,152		6,152
P.R.A. activities:			
Auction receipts	73,706		73,706
Team Tornado receipts	60,825		60,825
School store	35,692		35,692
Script			
Receipts other	15,741		15,741
T-shirt sales	35,637		35,637
Other			
<b>Total other income</b>	<u>484,206</u>		<u>484,206</u>
<b>Total Revenues</b>	<u>\$3,858,351</u>	<u>\$4,158</u>	<u>\$3,862,509</u>

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Expenditures:</b>			
<b>Other financing uses</b>			
Principal		\$80,000	\$80,000
Interest expense		325,680	325,680
<b>Total other financing uses</b>	<u>\$0</u>	<u>405,680</u>	<u>405,680</u>
<b>Basic instruction</b>			
Classroom teacher payroll	1,693,011		1,693,011
Federal payroll taxes	128,754		128,754
State payroll taxes	4,015		4,015
Other payroll expenses	228,665		228,665
Group insurance expense	1,450		1,450
Materials & supplies	784		784
Supplies - instructional	16,016		16,016
Lab expenses	808		808
Textbooks	13,200		13,200
Books-consumables	40,473		40,473
Instructional equipment	496		496
Student activities - programs	4,005		4,005
Field trip expenses	63,726		63,726
Banquet expense			
Yearbook expenses	10,283		10,283
Other	1,762		1,762
SGA expenses	4,808		4,808
8th grade graduation	7,139		7,139
Drama expenses			
Jr. K. Club Expenses	571		571
<b>Total basic instruction expense</b>	<u>2,219,966</u>	<u>0</u>	<u>2,219,966</u>
<b>Other instructional</b>			
Substitute teacher payroll	84,919		84,919
Stipends	73,960		73,960
Federal payroll taxes	11,857		11,857
State payroll taxes	370		370
Other payroll related expenses	13,448		13,448
<b>Total other instructional expense</b>	<u>184,554</u>	<u>0</u>	<u>184,554</u>
<b>School administration</b>			
Administration payroll	388,628		388,628
Overtime - non-exempt	1,673		1,673
Federal payroll taxes	26,795		26,795
State payroll taxes	835		835
Other payroll related expenses	24,429		24,429
<b>Total school administration expense</b>	<u>442,360</u>	<u>0</u>	<u>442,360</u>
<b>Food service</b>			
Food - lunch programs	104,638		104,638
<b>Total food service expense</b>	<u>\$104,638</u>	<u>\$0</u>	<u>\$104,638</u>

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>General administration</b>			
Professional & technical services	\$55,591		\$55,591
General & property insurance expense	22,239		22,239
Travel & entertainment expense	1,082		1,082
Equipment - office rentals	8,459		8,459
Telephone & internet expense	11,552		11,552
Office expense	13,290		13,290
Advertising expense			
Interest expense			
Electricity	43,582		43,582
Utilities	14,180		14,180
P.R.A. expense	24,825		24,825
P.R.A. auction expense	9,992		9,992
P.R.A. team tornado expense	2,263		2,263
P.R.A. other expense	13,085		13,085
Board expense	2,716		2,716
Athletic expense	2,787		2,787
Referee fees	1,799		1,799
Athletic uniform expense	4,222		4,222
Athletic equipment supplies	592		592
Athletic expense other	327		327
Fundraising	1,323		1,323
Mosi moving expense			
Miscellaneous & other expense	7,539		7,539
<b>Total general administration expense</b>	<b>241,445</b>	<b>\$0</b>	<b>241,445</b>
<b>Facility acquisition costs</b>			
Facility acquisition costs	46,569		46,569
<b>Total facility acquisition costs</b>	<b>46,569</b>	<b>0</b>	<b>46,569</b>
<b>Plant operations</b>			
Supplies - custodial	16,187		16,187
Alarm system - security	5,584		5,584
Building	740		740
<b>Total plant operations expense</b>	<b>22,511</b>	<b>0</b>	<b>22,511</b>
<b>Maintenance of plant</b>			
Repairs & maintenance - office			
Repairs & maintenance - facility	54,911		54,911
<b>Total maintenance of plant expense</b>	<b>54,911</b>	<b>0</b>	<b>54,911</b>
<b>Student transportation</b>			
Transportation expense	1,367		1,367
<b>Total student transportation expense</b>	<b>1,367</b>	<b>0</b>	<b>1,367</b>
<b>Total Expenditures</b>	<b>3,318,321</b>	<b>405,680</b>	<b>3,724,001</b>
<b>Excess of Revenues Over Expenditures</b>	<b>540,030</b>	<b>(401,522)</b>	<b>138,508</b>
<b>Other financing uses</b>			
Interfund transfers	(386,393)	386,393	0
<b>Total other financing uses</b>	<b>(386,393)</b>	<b>386,393</b>	<b>0</b>
<b>Net Changes In Fund Balances</b>	<b>153,637</b>	<b>(15,129)</b>	<b>138,508</b>
<b>Fund Balances, July 1, 2008</b>	<b>33,621</b>	<b>873,648</b>	<b>907,269</b>
<b>Fund Balances, June 30, 2009</b>	<b>\$187,258</b>	<b>\$858,519</b>	<b>\$1,045,777</b>

**TERRACE COMMUNITY MIDDLE SCHOOL  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Amounts reported for governmental activities in the statement of activities are different because:

<b>NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS</b>	<b>\$138,508</b>
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays \$46,070 are less than depreciation expense (\$132,776) for the year ended.	(86,706)
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Repayment of bond principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets.	80,000
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires use of a current financial resource. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the governmental funds is the net result of the two factors.	<u>(15,128)</u>
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<b>CHANGE IN NET ASSETS-GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$116,674</u></u></b>
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See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 1 - REPORTING ENTITY**

Back To Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School (the School) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 228.056, Florida Statutes. The governing body of the School is the not-for-profit corporation's Board of Directors.

Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School is exempt from income taxes under provision 501(c)(3) of the Internal Revenue Code.

The general operating authority of the School is contained in Section 228.056, Florida Statutes. The School operates under a charter of the sponsoring school district, the Hillsborough County District School Board. The current charter is effective until June 30, 2011 by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter immediately if good cause is shown or if the health, safety, or welfare of the students is threatened. In such event, the Hillsborough County District School board shall assume operation of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School. Due to the above relationship, the School is deemed to be a component unit of the Hillsborough County District School Board.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The School's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are described below.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 2 - Continued**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. Certain of the significant changes in the Statement include the following:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

Financial statements relating to activities of the School.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements) as of June 30, 2009.

**FUND ACCOUNTING**

The School's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific school functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

**GOVERNMENTAL FUND TYPES**

The General Fund- to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund- to account for the proceeds of specific revenue sources and Federal grants (other than expendable trusts or for specific capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 2 - Continued**

**BASIS OF PRESENTATION**

***Government-Wide Financial Statements***

The statement of net assets and the statement of activities display information about the School as a whole. The government-wide statements are prepared using the economic measurement fund. These statements differ in the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanation to better identify the relationship between the government-wide statement and the statement for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each identifiable activity or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All revenues not classified as program revenues are presented as general revenues of the School.

***Fund Financial Statements***

Fund financial statements report detailed information about the School. Their focus is on major funds rather than reporting funds by type. Each major governmental aid fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., expenditures and other financing uses) in net current assets.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 2 - Continued**

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using the modified accrual basis for governmental funds.

Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow.

Under the modified accrual basis, revenues, except for certain grant revenues, are recognized when they become measurable and available. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principle exceptions to this rule are: (1) prepaid items are generally not accrued; (2) interest on long-term debt is recognized when due; and (3) expenditures related to liabilities reported as general long-term debt are recognized when due.

**BUDGETS AND BUDGETARY ACCOUNTING**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies, capital outlay).

**CASH AND CASH EQUIVALENTS**

The school's cash consists of demand deposits with commercial financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 2 - Continued**

**CAPITAL ASSETS & DEPRECIATION**

All capital assets are capitalized at cost and updated for addition and retention during the year. Donated fixed assets are recorded at their fair market values as of the date received. Capital assets are depreciated over ten to fifty years using the straight-line method. Depreciation expense for this year was not allocated to any activity. Due to its location in Florida the School has been unable to obtain wind-storm insurance at commercially reasonable rates. Therefore, the School is self-insured for wind-storm insurance.

**REVENUE SOURCES**

Revenues for current operations are received primarily from the Hillsborough County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 228.056(13), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under provisions of Section 236.081, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The basic amount of funding through the FEFP under Section 236.081 is the product of the (1) weighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(c)(2). For the year 2008-2009 school year the school reported 528.00 un-weighted FTE. Weighted funding represents approximately 6.90 % of the total funding.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 2 - Continued**

The following is a break-down of the funding for the fiscal year after the 5% district administrative fee:

FEFP Funding:	
Basic Funding	\$ 1,980,904
ESE Funding	130,404
Class size reduction funds	460,484
Other	<u>386,779</u>
Total FEFP funding	2,958,571
Other Funding	<u>403,356</u>
Total	<u>\$ 3,361,927</u>

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General pursuant to Sections 229.565(2) & (3), Florida Statutes, and Rule 6A-1.0453, Florida. In this regard, the school is required to maintain the following documentation for three years or until the completion of an FTE audit:

- \*Attendance and membership documentation (Rule 6A-1.044, FAC)
- \*Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC)
- \*Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- \*Evaluation and planning documents for weighted programs (Section 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC)

The School also receives funding from the Public Education Capital Outlay funds pursuant to Section 228.056(1) of the Florida Statutes. These outlays were used for purpose of the operating lease disclosed in Note 3.

Finally, the School received donations from various corporations. These donations were used specifically for computer and technology enhancements for the school.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 3 - OPERATING LEASE**

On August 24, 2000 the School entered into an agreement with the Museum of Science and Industry Foundation, Inc. (MOSI) to lease space in their facility located at 4801 East Fowler Avenue, Tampa, Florida. The terms of the lease are as follows:

- (1) The School will pay \$25,000 per month beginning July 1, 2001 and ending June 30, 2016.
- (2) The lease payment will be increased by the percentage the School's FTE funding from the state of Florida has been increased during each preceding school year.
- (3) The school has granted MOSI security interest in all present and future property of the school placed in the MOSI facility.

The minimum lease payments exclusive of the FTE annual adjustment are as follows:

2010	\$ 300,000
2011	300,000
2012	300,000
2013	300,000
2014	300,000
Thereafter	600,000

The School during 2007 assigned the lease above to The Hillsborough County School Board. The assignment is for five years with an option for an additional five years.

**NOTE 4 - RETIREMENT PLAN**

The School has available for the benefit of all its employees a retirement plan which provides benefits for the employees at retirement, disability, or death.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 5 - CAPITAL FIXED ASSETS**

A summary of general fixed assets follows:

<i>Governmental Activities:</i>	Balance July 1, 2008	Additions	Balance June 30, 2009
Buildings & Improvements	\$ 3,135,280	\$ 15,000	\$ 3,150,280
Furniture & Fixtures	129,782	6,845	136,627
Computer, visual & audio Equipment	625,319	7,491	632,810
Land	<u>2,525,138</u>	<u>          </u>	<u>2,525,138</u>
Total	<u>6,415,519</u>	<u>29,336</u>	<u>6,444,855</u>
 <i>Less Accumulated Depreciation:</i>			
Buildings & Improvements	121,695	63,006	184,701
Furniture & Fixtures	72,466	6,489	78,955
Computer, visual & audio Equipment	<u>377,810</u>	<u>63,281</u>	<u>441,091</u>
Total	<u>571,971</u>	<u>132,776</u>	<u>704,747</u>
Capital Assets, Net	<u>\$ 5,843,548</u>	<u>\$(103,440)</u>	<u>\$ 5,740,108</u>

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 6 - BOND DEBT MATURITY**

During 2007, the School secured a mortgage for \$6.215MM via the issuance of Series 2007 A & B Industrial Development Revenue Bonds for the retirement of various bridge mortgages used to acquire 3.39 acres MOL and construction of a 33,000 sq. ft permanent facility. The Series 2007A Bond has a maturity date of May 15, 2037 and a stated interest rate of 5.125%. The Series 2007B Bond has a maturity date of May 15, 2015 and a stated interest rate of 6.900%. The payment schedules are summarized below:

Government Activities- Bonds

Revenue Bonds

Year Ended	Series 2007A		Series 2007B		
	June 30	Principal	Interest	Principal	Interest
2010	\$	-	\$282,900	\$ 85,000	\$ 37,260
2011		-	282,900	95,000	31,395
2012		-	282,900	100,000	24,840
2013		-	282,900	105,000	17,940
2014		-	282,900	115,000	10,695
2015-2019		640,000	1,356,843	40,000	2,760
2020-2024		870,000	1,165,937	-	-
2025-2029		1,115,000	919,169	-	-
2030-2034		1,435,000	601,676	-	-
2035-2037		1,460,000	172,712	-	-
<b>Total</b>		<b>\$ 5,520,000</b>	<b>\$ 5,630,837</b>	<b>\$ 540,000</b>	<b>\$ 124,890</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Grants &amp; donations</b>				
Corporate grants & donations	\$ 504	\$ 504		\$ (504)
Private foundation grants	504	504	\$ 1,450	946
General public donations	30,000	30,000	7,014	(22,986)
Grants - governmental	5,000	5,000	3,754	(1,246)
<b>Total grants &amp; donations</b>	<b>36,008</b>	<b>36,008</b>	<b>12,218</b>	<b>(23,790)</b>
<b>Investment income</b>				
Interest income				
Other investment income				
<b>Total investment income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>School board - FTE</b>				
State funds - FTE	3,023,724	3,023,724	3,043,248	19,524
SIT capital funds	328,248	328,248	249,430	(78,818)
Other income - FTE	50,400	50,400	69,249	18,849
<b>Total school board - FTE</b>	<b>3,402,372</b>	<b>3,402,372</b>	<b>3,361,927</b>	<b>(40,445)</b>
<b>Other income</b>				
School lunch income	99,996	99,996	91,175	(8,821)
Transportation revenue				
Student activity & project income:				
Field trip receipts	54,996	54,996	45,939	(9,057)
Yearbook receipts	15,000	15,000	15,079	79
Other	11,492	11,492	15,224	3,732
Student government receipts	7,500	7,500	5,981	(1,519)
8th grade graduation			5,072	5,072
Book fees	24,996	24,996	28,755	3,759
Lab fees	7,500	7,500	8,258	758
Drama receipts	4,992	4,992		(4,992)
After school care receipts			21,140	21,140
SLAM income			10,521	10,521
FAFO income			5,765	5,765
Athletic department:				
Admission receipts	2,000	2,000	1,320	(680)
Student payment fees	5,000	5,000	1,535	(3,465)
Fundraising	4,992	4,992	689	(4,303)
Other-athletic	4,992	4,992	6,152	1,160
P.R.A. activities:				
Auction receipts	100,000	100,000	73,706	(26,294)
Team Tornado receipts	65,004	65,004	60,825	(4,179)
School store	20,004	20,004	35,692	15,688
Receipts other	9,996	9,996	15,741	5,745
T-shirt sales	1,000	1,000	35,637	34,637
Script				
Other				
<b>Total other income</b>	<b>439,460</b>	<b>439,460</b>	<b>484,206</b>	<b>44,746</b>
<b>Total Revenues</b>	<b>\$3,877,840</b>	<b>\$3,877,840</b>	<b>\$3,858,351</b>	<b>(\$19,489)</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Fioal</u>		
<b>Expenditures:</b>				
<b>Basic instruction</b>				
Classroom teacher payroll	\$1,615,332	\$1,615,332	\$1,693,011	\$77,679
Federal payroll taxes	123,576	123,576	128,754	5,178
State payroll taxes	18,000	18,000	4,015	(13,985)
Other payroll expenses	125,004	125,004	228,665	103,661
Group insurance expense	50,004	50,004	1,450	(48,554)
Materials & supplies	4,992	4,992	784	(4,208)
Supplies - instructional	3,000	3,000	16,016	13,016
Lab expenses			808	808
Textbooks	35,000	35,000	13,200	(21,800)
Books-consumables	24,996	24,996	40,473	15,477
Instructional equipment	24,996	24,996	496	(24,500)
Student activities - programs	9,996	9,996	4,005	(5,991)
Field trip expense	54,996	54,996	63,726	8,730
Banquet expense	11,000	11,000		(11,000)
Yearbook expense	9,000	9,000	10,283	1,283
Other	4,500	4,500	2,333	(2,167)
SGA expense	4,000	4,000	4,808	808
Forensics expense				
Drama expenses	3,000	3,000		(3,000)
8th grade graduation			7,139	7,139
<b>Total basic instruction expense</b>	<u>2,121,392</u>	<u>2,121,392</u>	<u>2,219,966</u>	<u>98,574</u>
<b>Other instructional</b>				
Substitute teacher payroll	24,996	24,996	84,919	59,923
Stipends	50,400	50,400	73,960	23,560
Federal payroll taxes	5,760	5,760	11,857	6,097
State payroll taxes	600	600	370	(230)
Other payroll related expenses	3,000	3,000	13,448	10,448
<b>Total other instructional expense</b>	<u>84,756</u>	<u>84,756</u>	<u>184,554</u>	<u>99,798</u>
<b>Instructional media services</b>				
Periodicals				
<b>Total instructional media services expense</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>School administration</b>				
Administration payroll	449,640	449,640	388,628	(61,012)
Overtime - non-exempt			1,673	1,673
Federal payroll taxes	34,392	34,392	26,795	(7,597)
State payroll taxes	1,500	1,500	835	(665)
Other payroll related expenses	35,004	35,004	24,429	(10,575)
<b>Total school administration expense</b>	<u>520,536</u>	<u>520,536</u>	<u>442,360</u>	<u>(78,176)</u>
<b>Food service</b>				
Food - lunch programs	99,996	99,996	104,638	4,642
<b>Total food service expense</b>	<u>\$99,996</u>	<u>\$99,996</u>	<u>\$104,638</u>	<u>\$4,642</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>General administration</b>				
Professional & technical services	\$99,996	\$99,996	\$55,591	(\$44,405)
General & property insurance expense	24,996	24,996	22,239	(2,757)
Travel & entertainment expense	2,500	2,500	1,082	(1,418)
Equipment - office rentals	15,000	15,000	8,459	(6,541)
Telephone & internet expense	8,748	8,748	11,552	2,804
Office expense	24,996	24,996	13,290	(11,706)
Interest expense				
Advertising expense	1,000	1,000		(1,000)
Electricity	44,004	44,004	43,582	(422)
Utilities	12,300	12,300	14,180	1,880
P.R.A. expense	996	996	24,825	23,829
P.R.A. auction expense	30,000	30,000	9,992	(20,008)
P.R.A. team tornado expense	2,004	2,004	2,263	259
P.R.A. other expense	7,500	7,500	13,085	5,585
Board expense	4,500	4,500	2,716	(1,784)
Athletic expense	996	996	2,787	1,791
Referee fees	1,500	1,500	1,799	299
Athletic uniform expense	6,996	6,996	4,222	(2,774)
Athletic equipment supplies	504	504	592	88
Athletic expense other	2,000	2,000	327	(1,673)
Fundraising	4,992	4,992	1,323	(3,669)
Miscellaneous & other expense	1,000	1,000	7,539	6,539
<b>Total general administration expense</b>	<b>296,528</b>	<b>296,528</b>	<b>241,445</b>	<b>(55,083)</b>
<b>Facilities Acquisition and Construction</b>				
Facility acquisition costs			46,569	46,569
<b>Total Facilities Acquisition and Construction</b>	<b>0</b>	<b>0</b>	<b>46,569</b>	<b>46,569</b>
<b>Plant operations</b>				
Supplies - custodial	24,996	24,996	16,187	(8,809)
Alarm system	4,992	4,992	5,584	592
Building	26,496	26,496	740	(25,756)
Depreciation expense	150,000	150,000	0	(150,000)
<b>Total Plant operations expense</b>	<b>206,484</b>	<b>206,484</b>	<b>22,511</b>	<b>(183,973)</b>
<b>Maintenance of plant</b>				
Repairs & maintenance - office	9,996	9,996		(9,996)
Repairs & maintenance - facility	30,000	30,000	54,911	24,911
<b>Total Maintenance of plant expense</b>	<b>39,996</b>	<b>39,996</b>	<b>54,911</b>	<b>14,915</b>
<b>Student transportation</b>				
Transportation expense	9,996	9,996	1,367	(8,629)
<b>Total student transportation expense</b>	<b>9,996</b>	<b>9,996</b>	<b>1,367</b>	<b>(8,629)</b>
<b>Total Expenditures</b>	<b>3,379,684</b>	<b>3,379,684</b>	<b>3,318,321</b>	<b>(61,363)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>498,156</b>	<b>498,156</b>	<b>540,030</b>	<b>41,874</b>
<b>Other financing uses</b>				
Interfund transfers			(386,393)	(386,393)
<b>Net Changes In Fund Balance</b>	<b>498,156</b>	<b>498,156</b>	<b>153,637</b>	<b>(344,519)</b>
<b>Fund Balance, July 1, 2008</b>	<b>571,535</b>	<b>571,535</b>	<b>33,621</b>	<b>(537,914)</b>
<b>Fund Balance, June 30, 2009</b>	<b>\$1,069,691</b>	<b>\$1,069,691</b>	<b>\$187,258</b>	<b>(\$882,433)</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL-DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Other financing sources</b>				
Interest income	\$24,000	\$24,000	\$4,158	(\$19,842)
<b>Total other financing sources</b>	<u>24,000</u>	<u>24,000</u>	<u>4,158</u>	<u>(19,842)</u>
<b>Total Revenues</b>	<u>24,000</u>	<u>24,000</u>	<u>4,158</u>	<u>(19,842)</u>
<b>Expenditures:</b>				
<b>General administration</b>				
Interest expense	325,224	325,224	325,680	456
Principal			80,000	80,000
<b>General administration expense</b>	<u>325,224</u>	<u>325,224</u>	<u>405,680</u>	<u>80,456</u>
<b>Other financing uses</b>				
Building				
<b>Other financing uses</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenses</b>	<u>325,224</u>	<u>325,224</u>	<u>405,680</u>	<u>80,456</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(301,224)</u>	<u>(301,224)</u>	<u>(401,522)</u>	<u>(100,298)</u>
<b>Other financing sources:</b>				
Interfund transfers			386,393	386,393
<b>Net Changes in Fund Balance</b>	<u>(301,224)</u>	<u>(301,224)</u>	<u>(15,129)</u>	<u>286,095</u>
<b>Fund Balance July 1, 2008</b>	<u>5,000</u>	<u>5,000</u>	<u>873,648</u>	<u>868,648</u>
<b>Fund Balance June 30, 2009</b>	<u><u>(\$296,224)</u></u>	<u><u>(\$296,224)</u></u>	<u><u>\$858,519</u></u>	<u><u>\$1,154,743</u></u>

See Accompanying Notes and Accountants' Report

# **R**owlson & Company, P.A.

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## **Independent Auditors' Report on Compliance and Internal Control Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Directors of  
Back to Basics Charter School Foundation, Inc.  
D/B/A Terrace Community Middle School  
Temple Terrace, Florida

We have audited the general purpose financial statements of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School, a component unit of Hillsborough County District School Board, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon included under the heading Independent Auditor's Report on General Purpose Financial Statements. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of Charter School Audits performed in the State of Florida.

### **COMPLIANCE**

As part of obtaining reasonable assurance about whether the School's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other guidelines, non-compliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not the object of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the School's general purpose financial statements for the fiscal year ended June 30, 2009, we considered the School's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the School's general purpose financial statements and not to provide assurance on the School's internal control. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, School District and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Roulson & Company, PA*

Certified Public Accountants

September 1, 2009

# **R**owlson & Company, P.A.

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## **Independent Auditors' Management Letter**

To the Board of Directors of  
Back to Basics Charter School Foundation, Inc.  
D/B/A Terrace Community Middle School  
Temple Terrace, Florida

We have audited the financial statements of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated September 1, 2009.

We have issued our Independent Auditors' Report on Compliance and Internal Control Based on An Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards dated September 1, 2009. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of Charter School Audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.854(1)(d)1.) require a statement as to whether corrective actions have been taken to address significant findings and recommendations made in the preceding financial audit.

The Rules of the Auditor General (Section 10.854(1)(d)2.) require a statement as to whether or not the charter school has met one or more of the conditions used to identify a state of financial emergency as described in Sections 218.503(1), Florida Statutes.

The Rules of the Auditor General (Section 10.854(1)(d)3.) require whenever one or more of the financial emergency conditions described in Section 218.503(1) have been met, the auditor should determine whether such conditions resulted from deteriorating financial conditions, and if so, to include recommendations to address these deteriorating conditions.

The Rules of the Auditor General (Sections 10.854(1)(d)4) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on internal control and compliance:

Recommendations to improve financial management, accounting procedures, and internal controls.

Violations of laws, rules, regulations, and contractual provisions that: (1) have occurred, or are likely to have occurred; (2) were discovered within the scope of the financial audit; and (3) may or may not have materially affected the financial statements.

Illegal or improper expenditures discovered within the scope of the financial audit which may or may not materially affect the financial statements.

Improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements).

Failures to properly record financial transactions.

Other inaccuracies, irregularities, shortages and defalcations, and instances of fraud and fraud related risk factors representing reportable conditions discovered by, or that came to the attention of the auditor.

**The Rules of the Auditor General (Section 10.857(2) Require a Written Statement of Explanation or Rebuttal Concerning and Deficiencies Cited in the Audit, Including Corrective Action to be Taken. – None**

**Irregularities Reported in Preceding Annual Financial Audit – None**

**Recommendations Preceding Annual Financial Audit - None**

**Met One or More of the Conditions Used to Identify a State of Financial Emergency as Described in Section 218.503(1) Florida Statutes - None**

**Recommendations to Improve Financial Management Accounting Procedures, and Internal Control: - None**

**Violations of Laws, Rules, Regulations - None**

**Illegal or Improper Expenditures – None**

**Improper or Inadequate Accounting Procedures – None**

**Failure to Properly Record Financial Transactions - None**

**Other Inaccuracies, Irregularities, Shortages and Defalcations – None**

**Conflicts of Interest - None**

The Rules of the Auditor General (Section 10.854 (1)(d)(6.)) also require that the name or official title and legal authority for the charter school be disclosed in the management letter, unless disclosed in the notes to the financial statements. Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community School was incorporated in the State of Florida May 27, 1998, and received its status as a non-profit Section 501( c)(3) organization from the Internal Revenue Service June 24, 1998.

This management letter is intended solely for the information of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School, and its management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

*Rowlson & Company, PA*

Certified Public Accountants  
September 1, 2009